

_____ **BILL NO.**

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY _____
Introduced: __/__/06
Referred:

A BILL

FOR AN ACT ENTITLED

"An Act establishing transitional assistance for boroughs annexing additional territory."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* **Section 1.** AS 29.06.070 is enacted to read:

Sec. 29.06.070. Transitional assistance to expanded boroughs

- (a) A petition for annexation of additional territory to a borough which includes all or part of a Regional Educational Attendance Area may propose a transition plan for a period of up to 4 years during which:
- (1) State funding for the education previously provided to the Regional Educational Attendance Area may continue to be provided on a declining basis as taxes to fund the local contribution component of school funding are phased in;
 - (2) Taxes to fund areawide services may be phased in on a schedule designed to transition to full taxation to fund areawide services by January 1 of the fourth year after the annexation becomes effective; and
 - (3) Taxes to fund non-areawide and service area services may be phased in on a schedule designed to transition to full taxation to fund of those non-areawide and service area services which are provided to the area by January 1 of the fourth year after the annexation becomes effective.

(b) If the petition approved by the Local Boundary for annexation of territory to an existing borough contains a transition plan as provided for in (a) of this section the terms of that transition plan shall apply and the Borough may impose taxes in the area annexed at a rate lower than the general areawide levy, non-areawide levy, or service area levy in accordance with the transition plan.